

**State of Hawai‘i  
Department of Commerce  
and Consumer Affairs  
Hawai‘i Hurricane Relief Fund  
Financial Statements and Supplemental Schedule  
June 30, 2015 and 2014**

**State of Hawai‘i**  
**Department of Commerce and Consumer Affairs**  
**Hawai‘i Hurricane Relief Fund**  
**Index**  
**June 30, 2015 and 2014**

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**Report on Internal Control Over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

To the Board of Directors of the  
State of Hawai'i  
Department of Commerce and Consumer Affairs  
Hawai'i Hurricane Relief Fund

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the State of Hawai'i, Department of Commerce and Consumer Affairs, Hawai'i Hurricane Relief Fund (the "Fund"), a component unit of the State of Hawai'i, as of and for the year ended June 30, 2015, and the related notes to the financial statements, and have issued our report thereon dated October 8, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Fund's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control over that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The image shows a handwritten signature in black ink that reads "Accuity LLP". The signature is written in a cursive, flowing style.

Honolulu, Hawai'i  
October 8, 2015

## **Report of Independent Auditors**

To the Board of Directors of the  
State of Hawai'i  
Department of Commerce and Consumer Affairs  
Hawai'i Hurricane Relief Fund

We have audited the accompanying statements of net position of the State of Hawai'i, Department of Commerce and Consumer Affairs, Hawai'i Hurricane Relief Fund (the "Fund"), a component unit of the State of Hawai'i, as of June 30, 2015 and 2014, and the related statements of revenues, expenses and change in net position, and cash flows for the years then ended, which collectively comprise the Fund's basic financial statements as listed in the index.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund as of June 30, 2015 and 2014, and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 1, the financial statements referred to above include only the financial activities of the Fund, and are not intended to present fairly the financial position, changes in its financial position, or cash flows of the State of Hawai'i or the State of Hawai'i, Department of Commerce and Consumer Affairs, in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

**Other Matters*****Required Supplementary Information***

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fund's financial statements. The supplementary information on page 14 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2015 on our consideration of the Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fund's internal control over financial reporting and compliance.

The image shows a handwritten signature in black ink that reads "Accuity LLP". The signature is written in a cursive, flowing style.

Honolulu, Hawai'i  
October 8, 2015

**State of Hawai‘i**  
**Department of Commerce and Consumer Affairs**  
**Hawai‘i Hurricane Relief Fund**  
**Statements of Net Position**  
**June 30, 2015 and 2014**

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	2015	2014
<b>Assets</b>		
Current assets		
Cash and equivalents	\$ 2,361,881	\$ 944,043
Investment in debt securities	181,857,072	126,673,827
Accrued interest receivable	661,556	370,011
Total current assets	<u>184,880,509</u>	<u>127,987,881</u>
<b>Liabilities</b>		
Due to State General Fund	2,440,371	1,087,304
Accounts payable and accrued liabilities	73	41
Trade settlement payable	-	255,000
Total current liabilities	<u>2,440,444</u>	<u>1,342,345</u>
<b>Net Position</b>		
Unrestricted	<u>\$ 182,440,065</u>	<u>\$ 126,645,536</u>

The accompanying notes are an integral part of the basic financial statements.

**State of Hawai‘i**  
**Department of Commerce and Consumer Affairs**  
**Hawai‘i Hurricane Relief Fund**  
**Statements of Revenues, Expenses and Change in Net Position**  
**Years Ended June 30, 2015 and 2014**

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	<b>2015</b>	<b>2014</b>
<b>Operating revenue</b>		
Net investment income	\$ 2,740,013	\$ 1,443,512
<b>Operating expenses</b>		
General and administrative	<u>5,113</u>	<u>4,900</u>
Operating income before transfers	2,734,900	1,438,612
Transfers from State General Fund	55,500,000	105,500,000
Transfer to State General Fund	<u>(2,440,371)</u>	<u>(1,087,304)</u>
Change in net position	55,794,529	105,851,308
<b>Net position</b>		
Beginning of year	<u>126,645,536</u>	<u>20,794,228</u>
End of year	<u>\$ 182,440,065</u>	<u>\$ 126,645,536</u>

The accompanying notes are an integral part of the basic financial statements.



**State of Hawai‘i**  
**Department of Commerce and Consumer Affairs**  
**Hawai‘i Hurricane Relief Fund**  
**Statements of Cash Flows**  
**Years Ended June 30, 2015 and 2014**

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	2015	2014
<b>Cash flows from operating activities</b>		
Interest income	\$ 1,905,809	\$ 705,262
Cash paid to suppliers	<u>(175,962)</u>	<u>(101,508)</u>
Net cash provided by operating activities	<u>1,729,847</u>	<u>603,754</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale and maturity of investment securities	16,166,342	8,983,166
Purchases of investment securities	<u>(70,891,047)</u>	<u>(114,268,476)</u>
Net cash used in investing activities	<u>(54,724,705)</u>	<u>(105,285,310)</u>
<b>Cash flows from noncapital financing activity</b>		
Transfers from State General Fund	55,500,000	105,500,000
Transfer to State General Fund	<u>(1,087,304)</u>	<u>(318,648)</u>
Net cash provided by noncapital financing activity	<u>54,412,696</u>	<u>105,181,352</u>
Net increase in cash and equivalents	1,417,838	499,796
<b>Cash and equivalents</b>		
Beginning of year	<u>944,043</u>	<u>444,247</u>
End of year	<u>\$ 2,361,881</u>	<u>\$ 944,043</u>
<b>Reconciliation of operating income before transfers to net cash provided by operating activities</b>		
Operating income before transfers	\$ 2,734,900	\$ 1,438,612
Adjustments to reconcile operating income before transfers to net cash provided by operating activities		
Net increase in fair value of investments	(467,366)	(442,399)
Net realized investment gains	(3,157)	(10,491)
Accretion of discounts	(243,017)	(94,843)
Increase in accrued interest receivable	(291,545)	(287,125)
Increase in accounts payable and accrued liabilities	<u>32</u>	<u>-</u>
Net cash provided by operating activities	<u>\$ 1,729,847</u>	<u>\$ 603,754</u>

The accompanying notes are an integral part of the basic financial statements.

**State of Hawai‘i**  
**Department of Commerce and Consumer Affairs**  
**Hawai‘i Hurricane Relief Fund**  
**Notes to Financial Statements**  
**June 30, 2015 and 2014**

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**1. Organization and Summary of Significant Accounting Policies**

**Financial Reporting Entity**

The Hawai‘i Hurricane Relief Fund (the “Fund”) was organized pursuant to, and operates in accordance with Chapter 431P of the Hawai‘i Revised Statutes (“HRS”). The Fund, which commenced operations on July 1, 1993, was established as a public body and a body corporate and politic to be placed within the State of Hawai‘i (the “State”), Department of Commerce and Consumer Affairs (the “Department”) for administrative purposes. The Fund is governed by its own board of directors and its financial information is discretely presented as a component unit within the State’s comprehensive annual financial report (“CAFR”).

The Fund was organized to provide residential and commercial hurricane property insurance coverage to Hawai‘i consumers in situations where insurance companies will not underwrite such business in the State. In addition to premiums collected, the Fund is entitled to levy a special assessment on all property and casualty insurance companies based a percentage of their gross written premiums in the State, and a special mortgage recording fee from mortgagors based on a percentage of their mortgage principal.

Due to an increase in the availability of hurricane property insurance to Hawai‘i consumers from insurance companies, the Fund ceased issuing commercial and condominium policies in October 1999 and ceased issuing residential policies on December 1, 2000. The Fund ceased collection of special mortgage recording fees and special assessments of property and casualty insurance companies effective July 1, 2001 and October 30, 2001, respectively. Although the Fund has ceased writing hurricane property insurance, the Fund may resume its insurance underwriting activities should the need arise. The Fund’s board of directors currently monitors the State’s hurricane property insurance market and manages the investments within the hurricane reserve trust fund, which is maintained outside the State Treasury.

In the event of dissolution of the Fund, the net monies within the hurricane reserve trust fund shall revert to the State General Fund (“General Fund”), after any payments by the Fund on behalf of licensed property and casualty insurers or the State that are required to be made pursuant to any federal disaster insurance program enacted to provide insurance or reinsurance for hurricane risks.

The Fund is classified as a state instrumentality under IRC Section 115, and is therefore exempt from Federal income taxes. Certain activities of the Fund may be subject to taxation as unrelated business income under IRC Sections 511 and 514.

**Basis of Presentation**

The accounting policies of the Fund conform to accounting principles generally accepted in the United States of America as applicable to enterprise activities of governmental units as promulgated by the Governmental Accounting Standards Board (“GASB”). The basic financial statements of the Fund are presented using the economic resources measurement focus and the accrual basis of accounting.

**Scope of Financial Statements**

The accompanying basic financial statements present the financial position and the changes in financial position of only that portion of the component unit information of the State that is attributable to the transactions of the Fund. The Fund is fiscally dependent upon the State and therefore, the State is financially accountable for the Fund. The Fund’s financial information is discretely presented as a component unit within the State’s CAFR.

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The financial statements do not reflect buildings, other physical equipment, audit fees and employee wages used by the Fund in its operations or certain benefit obligations of the Department as they are not allocated to the Fund.

**Cash and Equivalents**

The Fund considers all cash and highly liquid investments with original maturities of three months or less to be cash equivalents. The carrying amounts reported in the statements of net assets for cash equivalents approximate fair value due to the short maturity of these investments.

**Investment in Debt Securities**

The HRS authorizes the Fund to deposit and invest its monies subject to the limitations of Article 6 of Chapter 431, HRS and the investment policy set forth in the Fund's Plan of Operation.

The Fund has reported its investments at fair value. Changes in the fair value of investments are recognized in the statements of revenues, expenses and change in net position.

**Operating and Nonoperating Activities**

The Fund's principal operation is to maintain the hurricane reserve trust fund. Accordingly, net investment related income is presented as operating revenue in the accompanying statements of revenues, expenses and changes in net assets. Operating expenses consist of general and administrative expenses.

Nonoperating activities primarily relate to transfers of interest and dividend income into the State General Fund and noncapital transfers from the State General Fund.

**Related Party Transactions**

The Department provides certain general administrative services to the Fund, and access to facilities and equipment. The costs of these services and facilities are not reflected in the accompanying financial statements.

**Uses of Estimates**

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results could differ from those estimates. These estimates, among others, include the valuation of investments and the current versus noncurrent classification of assets and liabilities.

**New Accounting Pronouncement**

The GASB issued Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2015. The Fund is currently evaluating this accounting pronouncement.

**2. Cash and Equivalents**

The Fund maintains deposits at two Hawai'i based financial institutions that primarily consist of cash and money market funds. At June 30, 2015 and 2014, the financial institutions' balances amounted to \$2,361,881 and \$944,043, respectively, and were insured based on limits established by the U.S. Treasury Department and the Federal Deposit Insurance Corporation, however, were substantially uninsured and uncollateralized.

**State of Hawai‘i**  
**Department of Commerce and Consumer Affairs**  
**Hawai‘i Hurricane Relief Fund**  
**Notes to Financial Statements**  
**June 30, 2015 and 2014**

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**3. Investment in Debt Securities**

At June 30, 2015 and 2014, the Fund’s investment in debt securities consisted of the following:

	Fair Value	Amortized Cost
<b>2015</b>		
U.S. treasury obligations	\$ 134,448,224	\$ 133,540,319
U.S. government agencies	16,257,751	16,208,341
Corporate bonds	31,151,097	31,137,877
	<u>\$ 181,857,072</u>	<u>\$ 180,886,537</u>
<b>2014</b>		
U.S. treasury obligations	\$ 100,627,249	\$ 100,410,424
U.S. government agencies	11,341,913	11,340,224
Corporate bonds	14,704,665	14,420,010
	<u>\$ 126,673,827</u>	<u>\$ 126,170,658</u>

Changes in the investment funds during the years ended June 30, 2015 and 2014 were as follows:

	Fair Value	Amortized Cost Basis	Net Unrealized Gain (Loss)	Net Realized Gain
<b>June 30, 2013</b>	\$ 20,585,784	\$ 20,525,014	\$ 60,770	
Net change	<u>106,088,043</u>	<u>105,645,644</u>	<u>442,399</u>	\$ 10,491
<b>June 30, 2014</b>	126,673,827	126,170,658	503,169	
Net change	<u>55,183,245</u>	<u>54,715,879</u>	<u>467,366</u>	
<b>June 30, 2015</b>	<u>\$ 181,857,072</u>	<u>\$ 180,886,537</u>	<u>\$ 970,535</u>	\$ 3,157

	2015	2014
<b>Summary of net investment income</b>		
Change in net unrealized gain	\$ 467,366	\$ 442,399
Net realized gain	<u>3,157</u>	<u>10,491</u>
	470,523	452,890
Interest and dividend income	2,440,371	1,087,304
Less: Investment fees	<u>(170,881)</u>	<u>(96,682)</u>
Net investment income	<u>\$ 2,740,013</u>	<u>\$ 1,443,512</u>

**State of Hawai‘i**  
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**Notes to Financial Statements**  
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The Fund's investment strategy incorporates certain financial instruments, which involve, to varying degrees, elements of market, interest rate and credit risks, which are not reflected in the financial statements. Market risk is directly impacted by the volatility and liquidity of the markets in which the related underlying assets are traded. Credit risk is the possibility that a loss may occur due to the failure of a counterparty to perform according to the terms of the contract. The Fund's risk of loss in the event of counterparty default is typically limited to the amounts recognized in the Statement of Net Assets and is not represented by the contract or notional amounts of the instruments.

**Credit Risk**

Credit risk for fixed income securities is the risk that the issuer will not fulfill its obligations. Nationally recognized statistical rating organizations, such as Moody's and Standard and Poor's, assign credit ratings to security issuers and issues that indicate a measure of potential credit risk to investors. The Fund's investment policy limits investments to the top two ratings at time of acquisition issued by two nationally recognized statistical ratings organization. At June 30, 2015 and 2014, the composition of the Fund's fixed income investments along with credit quality ratings is summarized below:

	Fair Value	Credit Quality Rating				
		U.S. Govt-Exempt	AAA	AA	A	BAA
<b>2015</b>						
U.S. Treasury	\$ 134,448,224	\$ 134,448,224	\$ -	\$ -	\$ -	\$ -
U.S. government agencies	16,257,751	-	16,257,751	-	-	-
Corporate bonds	31,151,097	-	1,485,890	3,757,476	21,381,347	4,526,384
	<u>\$ 181,857,072</u>	<u>\$ 134,448,224</u>	<u>\$ 17,743,641</u>	<u>\$ 3,757,476</u>	<u>\$ 21,381,347</u>	<u>\$ 4,526,384</u>
<b>2014</b>						
U.S. Treasury	\$ 100,627,249	\$ 100,627,249	\$ -	\$ -	\$ -	\$ -
U.S. government agencies	11,341,913	-	11,341,913	-	-	-
Corporate bonds	14,704,665	-	618,737	2,017,238	11,404,822	663,868
	<u>\$ 126,673,827</u>	<u>\$ 100,627,249</u>	<u>\$ 11,960,650</u>	<u>\$ 2,017,238</u>	<u>\$ 11,404,822</u>	<u>\$ 663,868</u>

**Interest Rate Risk**

Interest rate risk is the risk that the value of fixed income securities will decline because of changing interest rates. The prices of fixed income securities with a longer time to maturity tend to be more sensitive to changes in interest rates and, therefore, more volatile than those with shorter maturities. The Fund's investment policy limits the average maturity of the Fund's investment portfolio to five years as a means of managing its exposure to fair value losses arising from increasing interest rates.

**State of Hawai‘i**  
**Department of Commerce and Consumer Affairs**  
**Hawai‘i Hurricane Relief Fund**  
**Notes to Financial Statements**  
**June 30, 2015 and 2014**

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At June 30, 2015 and 2014, the composition of the Fund’s fixed income investments and maturities are summarized below:

		<b>Investment Maturities</b>		
		<b>Less than One Year</b>	<b>One to Five Years</b>	<b>Six to Ten Years</b>
<b>2015</b>				
U.S. Treasury	\$ 134,448,224	\$ 26,298,647	\$ 70,872,901	\$ 37,276,676
U.S. government agencies	16,257,751	-	16,257,751	-
Corporate bonds	31,151,097	1,502,524	9,904,955	19,743,618
	<u>\$ 181,857,072</u>	<u>\$ 27,801,171</u>	<u>\$ 97,035,607</u>	<u>\$ 57,020,294</u>
<b>2014</b>				
U.S. Treasury	\$ 100,627,249	\$ 9,326,676	\$ 61,818,948	\$ 29,481,625
U.S. government agencies	11,341,913	4,552,163	6,789,750	-
Corporate bonds	14,704,665	833,143	6,548,890	7,322,632
	<u>\$ 126,673,827</u>	<u>\$ 14,711,982</u>	<u>\$ 75,157,588</u>	<u>\$ 36,804,257</u>

**Concentration of Credit Risk**

Concentration of credit risk is the risk associated with a lack of diversification, such as having substantial investments in a few individual issuers, thereby exposing the organization to greater risks resulting from adverse economic, political, regulatory, geographic or credit developments. The Fund’s investment policy limits investments in a single issuer, excluding U.S. government obligations, to a maximum of 10% of the Fund’s total invested assets or the total portfolio managed by an investment manager. At June 30, 2015 and 2014, more than 5% of the Fund’s investments were in U.S. Treasury note securities at 74% and 79%, respectively.

**Foreign Currency Risk**

Foreign currency risk is the risk that investments denominated in foreign currencies may lose value due to adverse fluctuations in the value of the U.S. dollar relative to foreign currencies. The Fund’s investment policy prohibits investment in securities subject to foreign currency risk.

**4. Transfers to and from State General Fund**

On June 25, 2002, Act 179 was signed into law by the Governor. This law appropriated \$29 million in funds from the Fund into the State General Fund in fiscal year 2003. Additionally, the law provides that all interest and dividends earned from the principal in the hurricane reserve trust fund be transferred and deposited into the General Fund each year that the hurricane reserve trust fund remains in existence, beginning with fiscal year 2003. For the years ended June 30, 2015 and 2014, interest and dividends earned and earmarked for transfer into the State General Fund amounted to \$2,440,371 and \$1,087,304, respectively.

In May 2010, the Governor signed Act 143, SLH 2010, appropriating \$67 million from the Fund into the State General Fund to restore instructional days at the State Department of Education for the 2010 – 2011 school year. The \$67 million appropriation was paid out of the Fund in May 2011 but only \$55 million was spent. The remaining \$12 million lapsed back to the Fund at June 30, 2011.

**State of Hawai‘i**  
**Department of Commerce and Consumer Affairs**  
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**Notes to Financial Statements**  
**June 30, 2015 and 2014**

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On May 26, 2011, Act 62 was signed into law by the Governor. This law appropriated \$42 million from the Fund into the State General Fund to help balance the State's fiscal year 2011 budget. The law authorized the Governor to appropriate additional monies from the Fund, as necessary, to balance the fiscal year 2011 State Budget. In that regard, the Fund pledged an additional \$69 million to the State General Fund as of June 30, 2011 and made the transfer in July 2011.

The transfers to the State General Fund had reduced the balance of the Fund to levels below what would be adequate to buy reinsurance in the event of a hurricane. However, Act 62 established a mechanism to replenish the Fund from fiscal years 2014 and 2015 general excise tax revenues and authorized the Fund to issue \$75 million in revenue bonds through June 30, 2015. The Fund has not issued any revenue bonds as of June 30, 2015.

On July 3, 2013, Act 266 was signed into law by the Governor. This law appropriated \$55.5 million from general excise tax revenues for fiscal year 2014 and \$55.5 million for fiscal year 2015 to be deposited into the Fund. The fiscal year 2014 transfer was made in September 2013. The fiscal year 2015 transfer was made in September 2014. Act 266 authorized to further accelerate recapitalization of fiscal reserves, by transferring an additional \$50 million to the Fund, which was made in November 2013.

## **Supplemental Schedule (Unaudited)**



**State of Hawai‘i**  
**Department of Commerce and Consumer Affairs**  
**Hawai‘i Hurricane Relief Fund**  
**Supplemental Schedule – Reconciliation of Net Position (Unaudited)**  
**June 30, 2015**

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	<b>Appropriation Symbol</b>	
Trust Fund per State Comptroller	T-12-999-R	\$ 126,645,536
Reconciling items		
Operating income before transfers FYE ‘15		2,734,900
Transfers from General Fund FYE ‘15		55,500,000
Transfer to General Fund		<u>(2,440,371)</u>
Unrestricted net position per the Fund		<u>\$ 182,440,065</u>

See accompanying report of independent auditors.